



House of Representatives

General Assembly

File No. 623

January Session, 2009

Substitute House Bill No. 5376

House of Representatives, April 15, 2009

The Committee on Government Administration and Elections reported through REP. SPALLONE of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT REQUIRING THE PERFORMANCE OF A COST-BENEFIT ANALYSIS PRIOR TO THE SALE OF SURPLUS STATE PROPERTY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4b-21 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) When the General Assembly is not in session, the trustees of any
4 state institution, the State Board of Education or the Commissioner of
5 Correction may, subject to the provisions of section 4b-23, purchase or
6 acquire for the state, through the Commissioner of Public Works, any
7 land or interest therein if such action seems advisable to protect the
8 state's interest or to effect a needed economy, and may, subject to the
9 provisions of said section, contract through the Commissioner of
10 Public Works for the sale or exchange of any land or interest therein
11 belonging to the state except that The University of Connecticut may
12 purchase or acquire for the state and may dispose of or exchange any
13 land or interest therein directly. When the General Assembly is not in

14 session, the Commissioner of Public Works, with the approval of the
15 State Properties Review Board, may give or obtain an option upon any
16 land or interest therein which is not under the control of the trustees of
17 any state institution, the State Board of Education or the Commissioner
18 of Correction when such action seems advisable, and such option shall
19 remain in force until the fifteenth day of August following the next
20 session of the General Assembly.

21 (b) Any state agency, department or institution having custody and
22 control of land, an improvement to land or interest in land, belonging
23 to the state, shall inform the Secretary of the Office of Policy and
24 Management, in writing, six months prior to the date when it is
25 anticipated that such land, improvement or interest or any part thereof
26 is not needed by the agency, department or institution. Upon receipt of
27 such notification, the secretary shall arrange for such agency,
28 department or institution to forthwith transfer custody and control of
29 such land, improvement or interest to the Department of Public Works,
30 along with adequate funding for personnel and other operating
31 expenses required for the maintenance of such land, improvement or
32 interest, and shall notify all state agencies, departments and
33 institutions that such land, improvement or interest is available.
34 Within ninety days of receipt of such notification from the secretary,
35 any state agency, department or institution that is interested in
36 utilizing the land, improvement or interest shall submit a plan to the
37 secretary that sets forth the proposed use for the land, improvement or
38 interest and a budget and timetable for such use. If the Commissioner
39 of Economic and Community Development determines that such land,
40 improvement or interest can be utilized or adapted for use as an
41 emergency shelter or transitional living facility for homeless persons or
42 can be utilized or exchanged for property which can be utilized for the
43 construction, rehabilitation or renovation of housing for persons and
44 families of low and moderate income, said commissioner may (1)
45 within such ninety-day period, submit to the secretary, in lieu of such
46 plan, a preliminary plan indicating that the land, improvement or
47 interest can be utilized, adapted or exchanged for such housing
48 purposes and stating the type of housing that is planned, and (2)

49 within six months after the end of such ninety-day period, submit a
50 comprehensive plan for the development of such housing to the
51 secretary, in a form prescribed by the secretary. If the Commissioner of
52 Economic and Community Development submits preliminary and
53 comprehensive plans to the secretary within such periods, the agency,
54 department or institution having custody and control of the land,
55 improvement or interest shall transfer custody and control to the
56 Commissioner of Economic and Community Development in
57 accordance with such procedures as the secretary may prescribe. If (A)
58 the Commissioner of Economic and Community Development does
59 not submit a preliminary plan to the secretary within such ninety-day
60 period or so submits a preliminary plan but does not submit a
61 comprehensive plan to the secretary within such six-month period,
62 and (B) one or more agencies, departments or institutions submit a
63 plan for such land, improvement or interest to the secretary within
64 such ninety-day period, the secretary shall analyze such agency,
65 department or institution plan or plans and determine whether (i)
66 custody and control of the land, improvement or interest shall be
67 transferred to one of such agencies, departments or institutions, in
68 which case the agency, department or institution having custody of the
69 land, improvement or interest shall make such transfer, or (ii) the land,
70 improvement or interest shall be treated as surplus.

71 (c) If the secretary determines that such land, improvement, interest
72 or part thereof may properly be treated as surplus, he shall notify the
73 Commissioner of Public Works. If the secretary also determines that
74 such land, improvement or interest or part thereof was purchased or
75 improved with proceeds of tax exempt obligations issued or to be
76 issued by the state, he shall also notify the Treasurer. Within available
77 appropriations, prior to making any determination whether to retain,
78 sell, exchange, lease or enter into agreements concerning such land,
79 improvement, interest or part thereof, the Secretary of the Office of
80 Policy and Management shall obtain an economic cost-benefit analysis
81 that documents the direct and indirect costs, savings and qualitative
82 and quantitative benefits that will result from retaining, selling,
83 exchanging or leasing such land, improvement, interest or part thereof.

84 Such analysis shall, at a minimum, include an estimate of any
85 applicable costs associated with the environmental remediation, reuse
86 or mothballing of such property for future use. Upon its completion, a
87 copy of any cost-benefit analysis performed pursuant to this
88 subsection shall be provided to the joint standing committee of the
89 General Assembly having cognizance of matters relating to the
90 purchase and sale of state property and facilities. The Commissioner of
91 Public Works may sell, exchange or lease, or enter into agreements
92 concerning, such land, improvement, interest or part thereof, after (1)
93 notifying (A) the municipality or municipalities in which such land,
94 improvement or interest is located, (B) the members of the General
95 Assembly representing such municipality or municipalities, and (C)
96 any potential developer of an incentive housing development, as
97 defined in section 8-13m, who has registered with the Commissioner of
98 Economic and Community Development to be notified of any such
99 state surplus land, and (2) obtaining the approval of (A) the Secretary
100 of the Office of Policy and Management, (B) the State Properties
101 Review Board, and (C) the joint standing committees of the General
102 Assembly having cognizance of matters relating to (i) state revenue,
103 and (ii) the purchase and sale of state property and facilities, and (3) if
104 such land, improvement, interest or part thereof was purchased or
105 improved with proceeds of tax-exempt obligations issued or to be
106 issued by the state, obtaining the approval of the Treasurer. The
107 Treasurer may disapprove such a transaction only if the transaction
108 would affect the tax-exempt status of such obligations and could not
109 be modified to maintain such tax-exempt status. If a proposed
110 agreement for such a conveyance has not been submitted to the State
111 Properties Review Board within three years after the Commissioner of
112 Public Works provides such notice to such municipality and such
113 members of the General Assembly, or if the board does not approve
114 the proposed agreement within five years after such notice, the
115 Commissioner of Public Works may not convey such land,
116 improvement or interest without again so notifying such municipality
117 and such members of the General Assembly. In the case of a proposed
118 lease of land, an improvement to land or an interest in land, or any

119 part thereof, with a person, firm or corporation in the private sector,
120 for a term of six months or more, the Commissioner of Public Works
121 shall comply with such notice requirement by notifying in writing the
122 chief executive officer of the municipality in which the land,
123 improvement or interest is located and the members of the General
124 Assembly representing such municipality, not less than two weeks
125 before seeking the approval of said secretary, board and committees,
126 concerning the proposed lease and the manner in which the lessee
127 proposes to use the land, improvement or interest. Each agency,
128 department or institution which informs the secretary that any land,
129 improvement or interest in land is not needed shall retain
130 responsibility for its security and maintenance until the Commissioner
131 of Public Works receives custody and control of the property, if any.
132 The Treasurer shall execute and deliver any deed or instrument
133 necessary to convey the title to any property the sale or exchange of
134 which or a contract for the sale or exchange of which is authorized by
135 this section.

136 (d) Upon approval of the proposed action of the Commissioner of
137 Public Works by said secretary and board, said commissioner shall
138 request approval of such action by the joint standing committees of the
139 General Assembly having cognizance of matters relating to state
140 revenue and the purchase and sale of state property and facilities. Each
141 committee shall have thirty days from the date such request is received
142 to convene a meeting to vote to approve or disapprove such action.
143 Each committee may make recommendations to the Commissioner of
144 Public Works concerning such proposed action. If such request is
145 withdrawn, altered, amended or otherwise changed, said
146 commissioner shall resubmit such request, and each committee shall
147 have thirty days from the date of such resubmittal to convene a
148 meeting to vote to approve or disapprove such action. If a committee
149 does not act on a request or the resubmittal of a request, as the case
150 may be, within that time, the request shall be deemed to be approved
151 by the committee.

152 (e) No provision of this section shall be construed to limit,

153 supersede or repeal any other provision of law relating to the powers
154 or duties of any state agency.

155 (f) The requirements of subsections (b) to (d), inclusive, of this
156 section shall not apply to land which the Commissioner of
157 Environmental Protection has acquired pursuant to 42 USC 9601 et
158 seq., the federal Comprehensive Environmental Response,
159 Compensation and Liability Act of 1980, as amended, (CERCLA).

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	4b-21

GAE *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Policy & Mgmt., Off.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Policy and Management (OPM) to obtain an economic cost-benefit analysis, within available appropriations, before making any determination whether to retain, sell, exchange, lease or enter into agreements concerning certain land. The bill requires that each such independent cost benefit analysis include estimates on potential environmental remediation costs, it is anticipated that each such independent analysis will cost approximately \$40,000 - \$60,000. It is uncertain how many parcels of land would be under consideration and require the analysis described in the bill. Thus it is unknown how much it would cost to fully implement this bill. There are no funds provided for this purpose in sHB 6365, the budget bill, as favorably reported by the Appropriations Committee. Due to the bill's requirement that OPM perform these analyses within available appropriations, they will either: 1) shift resources from other existing agency priorities; 2) incur a deficiency; 3) not be able to fully meet the grant requirements; or 4) delay implementation until resources are made available.

Sources: Office of Policy and Management

OLR Bill Analysis**sHB 5376*****AN ACT REQUIRING THE PERFORMANCE OF A COST-BENEFIT ANALYSIS PRIOR TO THE SALE OF SURPLUS STATE PROPERTY.*****SUMMARY:**

This bill requires state agencies to give the Office of Policy and Management (OPM) secretary written notice six months before they anticipate that they will no longer need property in their custody and control. By law, the OPM must approve an agency's or department's determination that property is not needed and notifies all state agencies of its availability. If no agency submits a proposal to use the property, OPM declares the property surplus and conveys it to the Department of Public Works (DPW), which is responsible for selling, leasing, exchanging, or entering into other agreements to dispose of it. The DPW commissioner must submit any plan for disposing of the property to the Finance and Government Administration and Elections (GAE) committees, which may approve or disapprove it.

Before determining whether to keep or dispose of the property, and within available appropriations, the bill requires the OPM secretary to get an economic cost-benefit analysis. The analysis must document the direct and indirect costs, savings, and qualitative and quantitative benefits that will result from keeping or disposing of the property. At a minimum, the analysis must include an estimate of applicable costs related to getting an environmental remediation or reusing or "mothballing" the property for future use. The bill does not define "mothballing," thus it is unclear what the cost-benefit analysis would need to include with respect to the future use of the property.

Once the cost-benefit analysis is completed, the OPM secretary must send a copy to the GAE Committee.

Lastly, the bill gives the Finance and GAE committees broader authority with respect to plans for disposing of surplus property. Instead of just approving or disapproving the proposed plans, they may make recommendations to the DPW commissioner concerning them.

EFFECTIVE DATE: October 1, 2009

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 12 Nay 2 (03/27/2009)